

1964

## CONGRESSIONAL RECORD — APPENDIX

A3245

## AUTOS PASS

The shooting took place at a suburban intersection when the chauffeur-driven cars in which the two men were riding happened to pass. Senor Jimenez called to the driver of Senor Arias' car to stop.

The cars stopped and the two men got out. After a brief argument, Senor Jimenez pulled a gun and started shooting.

The dispute apparently arose from last month's election in which Senor Arias won a seat in the National Assembly and Senor Jimenez was elected an alternate.

Senor Jimenez expected to be Senor Arias' alternate, but yesterday he found himself assigned to another seat. He apparently believed Senor Arias had refused to accept him as an alternate.

## SIMILAR CASE

It was the second political shooting to occur in virtually identical circumstances since the election. Aquilino Boyd, chief Panamanian delegate to the United Nations, shot up a Panama City editor when their cars were halted side by side in a traffic jam last month.

Roberto Arias has been in recurrent hot water since his uncle was deposed from the Presidency a few years ago. He fled the country by the diplomatic-asylum route in 1959 to escape charges of plotting an attack on an Army post, and last year he was charged with smuggling.

[From the Washington (D.C.) Evening Star, June 9, 1964]

## ROBERTO ARIAS HAS CHANCE FOR LIFE AFTER SHOOTING

PANAMA, June 9.—Roberto (Tito) Arias, shot down by a disgruntled party associate, was given a chance to live today but it still was a question whether the colorful politician will be paralyzed.

As police hunted the assailant, Mr. Arias' wife, British ballerina Dame Margot Fonteyn, said in Bath, England, she will fly to her husband's bedside tomorrow.

She has been a star at the Bath Festival. She told the festival organizers she hoped to be back by Saturday for her last two performances. She had last seen her husband 3 weeks ago in Panama.

## SHOT THREE TIMES

At first Dame Margot, who had received word from her brother-in-law, Harmondio Arias, that her husband was out of danger, said she would continue her performances unless he took a turn for the worse. She was to be featured tonight with the Russian dancer, Rudolf Nureyev.

Mr. Arias was shot three times with one bullet lodging against the spine.

Dr. Antonio Gonzalez Revilla, who headed a team of neurosurgeons in a 2½-hour operation on Mr. Arias, said it would be 72 hours before he could say whether his 45-year-old patient would live or whether he would be paralyzed.

Police sought Alfredo Jimenez, a member of Mr. Arias' Panamenista party and an old friend, as the gunman.

It was the second political shooting since Panama's national elections, May 10.

Panama's United Nations Ambassador, Aquilino Boyd, fired two shots, May 21, at the editor of a newspaper which accused Mr. Boyd of election fraud. The editor, Escobar Calvo, received a minor wound.

Mr. Arias was in surgery twice last night over a period of almost 8 hours. First, doctors removed bullets from his right arm and his right side. He was given blood transfusions. Then the surgeons removed a bullet which lodged against the spinal column and caused paralysis.

Mr. Arias was riding in a car driven by Reynaldo Medina yesterday when they met

Mr. Jimenez' car stopped at an intersection for a red light.

Witnesses said Mr. Jimenez spotted Mr. Arias, leaped from his car, whipped out a pistol and fired.

"You're not going to cross me up," Mr. Medina said Mr. Jimenez shouted.

Mr. Arias and Mr. Jimenez, in his late 30's, ran as candidates for deputy and alternate deputy, respectively.

Of the vote count yesterday, showed Mr. Jimenez elected, but as an alternate for another deputy and not Mr. Arias.

Speculation was that Mr. Jimenez believed he would have less chance to sit in the assembly than he would have had as Mr. Arias' alternate.

Dame Margot and Mr. Arias met when she was 16 and a hopeful soloist during a summer week of ballet at Cambridge.

In 1955, after he had become Ambassador to Britain and she world famous, they were married. His first marriage had ended in divorce.

## The American Jewish Conference on Soviet Jewry

## EXTENSION OF REMARKS

OF

## HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 16, 1964

Mr. MULTER. Mr. Speaker, on April 5 and 6, 1964, 24 national Jewish organizations gathered here in Washington to give united expression to their grave concern over the plight of the 3,000 Jews in the Soviet Union.

Every major segment of the Jewish community came together to speak out on this issue of important concern to all. The sponsoring organizations were:

American Israel Public Affairs Committee.

American Jewish Committee.

American Jewish Congress.

American Zionist Council.

American Trade Union Council for Histadrut.

B'nai B'rith.

Central Conference of American Rabbis.

Hadassah.

Jewish Agency for Israel, American Section.

Jewish Labor Committee.

Jewish War Veterans of the U.S.A.

Labor Zionist Movement.

Mizrachi-Hapoel Hamizrachi.

National Community Relations Advisory Council.

National Council of Jewish Women.

National Council of Young Israel.

Presidents' Conference.

Rabbinical Assembly.

Rabbinical Council of America.

Synagogue Council of America.

Union of American Hebrew Congregations.

Union of Orthodox Jewish Congregations of America.

United Synagogue of America.

Zionist Organization of America.

The 500 delegates to the conference adopted unanimously the following resolution and plans for action at both the local and national levels:

## RESOLUTION ADOPTED BY THE AMERICAN JEWISH CONFERENCE ON SOVIET JEWRY, APRIL 6, 1964

We, as representatives of the major national American Jewish organizations, have met for the past 2 days in solemn assembly in Washington, D.C., to express with one voice our deep concern with and our determination to protest the plight of our Jewish brethren in the Soviet Union.

Soviet Jewry constitutes the second largest Jewish community in the world and is the last remnant of the once great East European Jewish community. This remnant exists largely because of the heroic resistance of the Soviet Union to the Nazi hordes which destroyed the great majority of European Jewry.

The approximately 3 million Jews of the U.S.S.R., have a special claim on the conscience of all who are zealous of securing human rights, and, more particularly, on the conscience of all Jewry. Soviet Jews are the heirs of a tradition that stretches unbroken over 1,000 years of Jewish history in Eastern Europe, a tradition which produced an enduring heritage of scholarship, piety, and ethical idealism. They are the kin of the millions who went forth from Russia to other countries, bringing with them the social idealism of their tradition enhancing the cultures of their new lands.

With the lessening of repression and persecution so widely acclaimed following the death of Stalin, it was hoped that the Soviet Jews would share in the new atmosphere of relaxation of tensions. Now, however, with anguish and indignation we witness Soviet Jewry being denied its natural right of group existence. It is fragmented from within and kept isolated from without. Though formally recognized as a nationality and as a religious group, the Soviet Jewry community is deprived of those rights granted to other nationalities and other major religious bodies in the U.S.S.R. A process of attrition forces Soviet Jews to live only a most attenuated Jewish life and threatens to crush their spirit and to sever their ties with the Jewish people.

Soviet Jewish youth, traumatized by the Nazi holocaust and by Stalin's anti-Semitic excesses are now seeking to reestablish their links with Jewish life. But they are denied even the most meager opportunity to learn, enhance, and transmit their Jewish heritage.

The whole of Jewish culture, and Yiddish artistic and literary expression in particular, once so flourishing in the U.S.S.R., are now represented by the merest tokens. The links of Soviet Jewry with its tradition are being destroyed by increasing restrictions against fundamental and sacred Jewish practices.

Synagogues are closed down; the public production and distribution of matzot and of other essential religious articles are banned. Soviet Jews are cut off from contact with their brethren at home and abroad. Jewish opportunities in higher education and in certain fields of employment are being curtailed.

Simultaneously, a campaign of vilification of the Jewish past and present is conducted in the press and other official publications. Judaism and Jewish history are falsified. Anti-Semitic stereotypes are exploited to portray the synagogue as a breeding ground of economic and social crimes.

We are appalled at the discriminatory application of maximum penalties, including the death sentence, against Jews for alleged economic crimes and dismayed that they are singled out in the press in a calculated attempt to exacerbate public anti-Semitism.

We are moved by the plight of thousands of Soviet Jews whose families were shattered or separated by the Nazi devastation and who are prevented from rejoining their re-

maining kin in the United States, Israel, and other countries.

We appeal to the Soviet Government to redress these wrongs, to restore the rights of Jews and of the Jewish community and to grant the equality with other religious and nationality groups as required by Soviet Constitution and law.

We make this appeal within the framework of our ardent desire to see an end to the cold war and to lessen and hopefully to eradicate existing international tensions. Our aim is to mobilize public opinion into a moral force that will save Soviet Jewry from spiritual annihilation.

We who are assembled here are bound by the moral imperative of our history, which demands that we speak out on the fate of our brothers in the Soviet Union. We pray that our voice will be heard and that it will be heeded.

The American Jewish Conference on Soviet Jewry protests the denial to Soviet Jews of the basic institutions and facilities granted to other religions and nationality groups within the Soviet Union. Considerations of humanity and justice require the Soviet Government:

1. To declare its policy of eradicating anti-Semitism by a vigorous educational effort conducted by government and party.
  2. To permit the free functioning of synagogues and private prayer meetings.
  3. To remove hindrances to the observance of sacred rites such as religious burial and circumcision.
  4. To make possible the production and distribution of phylacteries, prayer shawls, mezzuzoth, religious calendars and other religious articles.
  5. To restore all rights and facilities for the production and distribution of matzoth and kosher food.
  6. To make available facilities to publish Hebrew Bibles, prayerbooks, and other religious texts in the necessary quantities.
  7. To permit the organization of a nationwide federation of synagogues.
  8. To sanction the association of such a federation with organizations of coreligionists abroad.
  9. To permit Jews to make religious pilgrimages to the holy places in Israel.
  10. To make it possible to allow all qualified applicants to attend the Moscow Yeshivah, to provide facilities for the establishment of additional Yeshivot as needed, and to enable rabbinical students to study at seminaries abroad.
  11. To provide schools and other facilities for the study of Yiddish and Hebrew, and of Jewish history, literature and culture.
  12. To permit Jewish writers, artists, and other intellectuals to create their own institutions for the encouragement of Jewish cultural and artistic life.
  13. To reestablish a Yiddish publishing house and to publish books in Yiddish by classical and contemporary Jewish writers.
  14. To reestablish Yiddish state theaters in major centers of Jewish population and to publish Yiddish language newspapers with national circulation.
  15. To eliminate discrimination against Jews in all areas of Soviet public life.
  16. To end all propaganda campaigns which use anti-Semitic stereotypes, implied or overt.
  17. To halt the discriminatory application of maximum penalties, including the death sentence, against Jews for alleged economic crimes.
  18. To make possible on humanitarian grounds Soviet Jews who are members of families separated as a result of the Nazi holocaust to be reunited with their relatives abroad.
- We appeal for a redress of these and other wrongs and sufferings; for the elimination of discrimination and for the full restoration of Jewish rights in the U.S.S.R.

#### AMERICAN JEWISH CONFERENCE ON SOVIET JEWRY—PROPOSALS FOR LOCAL FOLLOW-UP

##### INTRODUCTION

In our effort to awaken the moral conscience of the world, the Jewish communities of America can and must play a vital role. In the final analysis, public opinion reflects the totality of judgments reached in communities throughout the Nation. Long experience has taught that interpretation can most effectively be achieved on the level where people live and work together, through well-established ties rooted in mutual trust and respect. Perhaps the most effective agent of interpretation is the individual member of the Jewish community, who can convey insights into the plight of Soviet Jewry to his neighbor, whether he be the publisher of the neighborhood weekly or of the metropolitan daily; the parish priest or the archbishop; the precinct committeeman or the county chairman; the university president or the head of the high school social studies department.

As we mount the effort to which we have committed ourselves, we rely upon the basic tools of community relations, tested in relation to many issues with which the American Jewish community is concerned. The programs proposed here are, for the most part, undramatic, though they may have dramatic consequences. Grand projects also have their effect, but must be deemed at best only as the overture to the steady, on-going job of interpretation that must lie at the core of our effort.

The most difficult commitment we ask from the communities is not that they pour their resources into one spectacular project—though that too may be necessary—but that they accord a high priority to a steady and sustained effort, continuing long beyond the initial period of excitement generated by this conference.

Such a sustained effort cannot depend upon the contributions of a few individuals, however dedicated or able. It requires the pooling and planned use of all local resources in a concerted effort. Fortunately, in most of our communities the mechanism for such planning exists in the form of local community councils. We suggest the use of such councils to facilitate the planning, coordination, and implementation of local efforts. Fortunately, too, outstanding resources for implementation exist in our local civic groups, synagogues, and regional offices of national agencies. We are confident that the cooperation that has been manifested in the preparation of this conference will be reflected on the local level. Thus the potential is present for an outstanding job.

In undertaking this job we must remember that our purpose is not to exacerbate cold-war tensions. Our aim is to mobilize the judgments of responsible citizens of our community into national, and ultimately a world-wide moral force, which will save the Jewish community in the U.S.S.R. from spiritual annihilation.

##### GENERAL GUIDELINES

1. Our own Jewish communities must be given a thorough grasp of the nature of the threat to Jewish survival in the Soviet Union, including an understanding of the difference between that threat and the physical extermination by the Nazis. To that end:

(a) Urge communities throughout the Nation to convene conferences of Jewish organizations on the pattern of this American Jewish Conference on Soviet Jewry in order that they may have maximum accumulative impact. It would be desirable that as many conferences as possible be held within a concentrated time period.

(b) We call upon synagogues everywhere to observe the National Day of Prayer called for at this conference; upon rabbis to preach sermons on the plight of Soviet Jewry on this and other occasions; and on Jews to fill

our houses of worship to overflowing as an earnest of our sympathetic identification with Soviet Jews.

(c) We urge every local organization to devote a major meeting during the next month to this subject; we urge our synagogues and Jewish community centers to organize lecture series; discussions and other activities around it; making use of materials that will be developed and made available by our national organizations.

2. We shall seek through every channel available to us to spread knowledge and understanding throughout the community at large. To this end:

(a) We urge Jewish communities to assist in the creation of communitywide committees on anti-Semitism in the Soviet Union, which draw into the common purpose all in the community who share a like-minded concern about the problem. Several such committees already established may serve as models.

(b) Various religious groups, once they have been made aware of the facts, will be especially sensitive to Soviet efforts to smother the Jewish community by choking off the means whereby its life is sustained. Protestants and Catholics may be expected to respond favorably to examining this problem in the course of the interreligious dialog. They may be expected to welcome speakers before the boards and general memberships of church federations, ministerial associations, and local churches to clarify the situation, especially the distinction between the general antipathy of Soviet policy toward religion and Soviet hostility against the Jewish community.

(c) Other organizations in the community, including civil rights and civil liberties groups, labor bodies, veterans groups, civic groups, and service groups should be encouraged to consider the problem at their meetings and to speak out on it. Some civil rights leaders, labor officials, religious leaders, intellectuals may wish to join together in special meetings and statements.

(d) Scholars at institutions of higher learning in and near our communities should be encouraged to study the problem and issue reports and statements. Universities should be encouraged and aided to hold conferences or seminars on the subject. Soviet leadership seems to be sensitive to exposures of anti-Semitism in the U.S.S.R. by great academicians and great universities. Apart from their academic role, faculty members of American universities would welcome the opportunity of expressing themselves in public statements.

(e) Other local educational groups which would be sensitive to the problem of Soviet anti-Semitism, include high school social studies teachers associations and State and local teachers associations. Such groups probably would welcome the opportunity to examine the issue at their conferences.

(f) The question should be raised for consideration before organizations in our communities whose orientation is toward international affairs, e.g., world affairs councils, local chapters of the American Association for the United Nations.

(g) Publishers, editors, and others responsible for the content of local media of communication, including press, radio and television can play powerful roles in affecting the formulation of public opinion through their media. It is of very great importance that factual and interpretive materials developed and furnished by the national organizations be brought to their attention, preferably in face-to-face contacts. Letters to editors or local papers should be encouraged.

(h) As on the national scene, the concerns of local communities are frequently articulated in the formal expressions of governmental bodies. We believe that such instruments of government as State legislatures

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and city councils, upon being apprised of the situation of Soviet Jewry, will want to publicly pronounce judgment on the issue. The views of individual citizens on this problem should be communicated also to both the executive and legislative branches of Federal Government.

(1) Where deemed effective, all moral and lawful direct actions may be used on a selective basis including the picketing of strategic buildings, offices and events, the gatherings and forwarding of petitions, and the stimulation of letter writing campaigns, etc.

#### AMERICAN JEWISH CONFERENCE ON SOVIET JEWRY—PROPOSALS FOR NATIONAL FOLLOW-UP

##### DECLARATION OF PURPOSE

We cry out against the cultural and spiritual annihilation that threatens Jewish life in the Soviet Union. We address ourselves to the moral conscience of the world, to enlist it in a concerted demand upon the Soviet Government that it put an end to the calculated assaults by which the destruction of the Jewish community within the Soviet Union is being pursued. We shall extend our resources and our energies to the fullest to bring to the attention of the world the facts about the oppression of Soviet Jewry, through every means at our command, through every channel of communication available to us, through every contact and association, in every place and in every season. And we shall not rest or desist until we have awakened world opinion and brought its full weight and influence to bear upon this unconscionable wrong.

In exposing to the world and, more particularly, to the people of our own land, the cruel facts about the restrictions and deprivations imposed upon Jews in the Soviet Union, the denials to Jews of elementary rights to practice their religious faith, nurture their cultural traditions and maintain their ethnic identity—rights accorded other faiths and other cultural and ethnic minorities in the Soviet Union—we appeal to the conscience and the sense of decency and justice that reside in the hearts of our fellow Americans of all faiths.

We are convinced that once American public opinion has been sensitized to the plight of Soviet Jews, once there is widespread public awareness of the full dimensions of the oppressions to which Jews in the Soviet Union are subjected, the outraged voice of America will be raised in expressions of abhorrence.

Our purpose is not to exacerbate "cold war" tensions. Our aim is to mobilize public opinion into a worldwide moral force which will save the Jewish community of the U.S.S.R. from spiritual annihilation. The leadership of the Soviet Union is not impervious to such world opinion. It cannot permit the image it seeks to create of the Soviet Union, as guarantor and protector of freedom and the rights of minorities, to be revealed to the world as the fabrication that it is.

We believe therefore, that the dissemination of the truth about the discriminations and persecutions to which Soviet Jewry is being subjected may move the Soviet leadership to reappraise the political expediency of the present course of Soviet treatment of its Jewish citizens.

To disseminate the truth and to spur the moral sense of our fellow Americans, we propose to embark upon an intensive and sustained program of information and interpretation, utilizing every channel and every means of communication, to spread and to dramatize our message.

##### PLAN FOR ACTION

1. It is proposed that a National Day of Prayer, to be observed in all the synagogues of America, be proclaimed by the Jewish religious bodies represented in this conference; and the conference as a whole en-

dorses that proclamation, calling upon Jews throughout the Nation to attend services on that day in their synagogues and to observe the occasion wherever they may gather for worship, meditation, or study.

2. Each of the organizations participating in this conference will separately, at its own national meetings or on other appropriate occasions, review the proceedings of this conference examine the recommendations here agreed to, and consider how it may contribute most effectively with its own resources and through its own programs to the execution of those recommendations and to the realization of the common purpose. We anticipate that each organization will at an early date reaffirm separately the conclusions of this conference.

3. The proceedings of this conference, together with the documentation presented to it, and including the major presentations and resolutions, will be published as expeditiously as possible in the form of a paper-bound book; through the cooperative efforts of the participating organizations, copies will be distributed to libraries, universities, schools, editors and writers, scholars, religious leaders, public officials, and other interested and concerned individuals and institutions throughout the Nation and the world.

4. The 18 points that this conference is addressing to Soviet authorities will be reproduced in appropriate form for large-scale mass distribution and will be given the widest possible dissemination.

5. Every means will be employed to publicize the relevant facts through the mass media of communication; all the participating organizations will lend their resources to this effort in accordance with their means and special competencies. Among specific projects now contemplated are: (a) Production of a film strip with accompanying commentary; (b) production of a documentary motion picture film for television broadcast or screen projection; (c) preparation of a selected bibliography of books, pamphlets, articles, and other materials; (d) production of taped interviews and discussions for radio broadcast; (e) preparation of articles for Jewish periodicals; (f) development of a list of speakers for local groups; (g) preparation of brief fact sheets.

6. Plans will be pursued looking toward the convening of a broadly representative American Conference on Soviet Jewry, involving representatives of religious, civic, labor, civil rights, civil liberties, veterans, women's, youth, business, and other bodies and groups, to give expression to the pervading concern of Americans for the plight of Soviet Jews.

7. We anticipate that, as knowledge and awareness of the oppression of Jewish life in the Soviet Union becomes more general, numerous organizations such as those enumerated in the foregoing paragraph and other will include the matter on their agenda or hold special conferences, and make statements expressing their concern and calling for Soviet rectification. We anticipate that the number of prominent and prestigious individuals—religious leaders of prominence, winners of honors and awards in scientific and humane fields, outstanding intellectuals and others—likewise will raise their voices. We propose to make special efforts to make available to such organizations and individuals suitably prepared information and other materials.

8. The uniqueness of the situation of Soviet Jewry, as compared with the situation of other religious groups in the Soviet Union, requires special clarification and interpretation in the discussions between Jews, Christians, and other religious groups. Jewish leaders will therefore strive for the inclusion in such dialogs of the question of the present situation of Soviet Jews. It is also

proposed that other religious bodies national and international will be called upon to include discussions of this matter in their own deliberative channels.

9. To make tangible the opinions of Americans, in a form that can be neither misread nor dismissed by the Soviet Government, we suggest considering the advisability of such means as petitions and/or mail campaigns to the Soviet Government for equal treatment of Soviet Jews.

10. In our democratic society, the issues that agitate the public come inevitably to be reflected in legislative chambers and in other forums and governmental offices where the representatives of the people seek to express their will and their sentiments on behalf of the Nation. It is therefore natural that the oppression of Soviet Jewry should have become the subject of speeches on the floors of both Senate and House of Representatives. We should regard it as appropriate and desirable for the Congress of the United States, by joint resolution or otherwise, to express its view; for the national conventions of the major political parties to incorporate commitments to strong intervention with the Soviet Union in their platforms; and for the President of the United States to communicate America's official concern to the Soviet Government.

11. American representatives to United Nations bodies debating proposals for the international outlawing of discrimination on grounds of race, color, or religion have long and vigorously advocated such action by the United Nations against the very forms of anti-Jewish discrimination as are being practiced in the Soviet Union. Steps shall be taken to seek a meeting with the U.S. mission to the United Nations to explore with it the possibilities and prospects for intensification of these efforts.

12. Similar approaches will be made to voluntary organizations associated with the United Nations, to channel their efforts more effectively to the marshalling of international opinion against the mistreatment of Soviet Jews.

13. To assure that all may be continually informed of developments in the situation, the national organizations participating in the Conference will maintain a flow of timely information to Jewish communities throughout the Nation.

14. Immediately upon the adjournment of this Conference, the presidents of the cosponsoring national Jewish organizations will meet for the purpose of considering how best to assure that the plans set out herein will be systematically implemented. It is our further proposals that the presidents develop the means of continuing this Conference on an ongoing basis adequately staffed and financed to coordinate and implement the resolutions of this Conference.

#### Typhoid Angus

#### EXTENSION OF REMARKS OF

HON. J. ERNEST WHARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 16, 1964

Mr. WHARTON. Mr. Speaker, a devastating epidemic of typhoid fever including hundreds of cases of hospitalization, deaths, and citizens in a panic—we think it could not happen in Washington or in any other American community.

Our water supply is treated and inspected by experts. We go to great lengths in food inspection and sanita-



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tion but how about our imported canned meats and other foodstuffs which can't possibly be subject to inspection at the source.

We hear daily complaints from our farmers and producers of their depressed prices and pleas of the facts from the Government as to the necessity of foreign imports and competition but what of quality and health inspection?

It has taken some time to develop the facts of the Scotland typhoid epidemic but in the process the American farmer has found another potent argument against imported beef. I include herewith and commend a factual article on the subject from Time magazine issue of June 12, 1964, outlining the devastating experience of the city of Aberdeen, Scotland.

## INFECTIOUS DISEASES

The bacteria that cause typhoid fever live almost exclusively in sewage, and typhoid remains a major problem in Asia, Africa, and parts of South America. In countries where water supplies are kept free from sewage contamination and where food handlers follow the basic rules of cleanliness, typhoid is a rare disease. When it erupts in a place that prides itself on good sanitation, as it did in the Swiss sk resort of Zermatt 18 months ago, it causes a violent flap. Last week there was a new typhoid flap in clean Aberdeen, Scotland (population 186,000). There were 324 confirmed cases (2 deaths) and 65 suspected, with still more expected.

Aberdeen's medical officer, Dr. Ian MacQueen, was certain that he had found the explanation: "There is no shadow of doubt that this outbreak started from a tin of corned beef." The meat was in a 6-pound can and had come from South America. In an Aberdeen delicatessen it was sliced on a machine that was also used to slice other meats. The infected machine spread the infection to these meats and to the customers who ate them. As the statistics of sickness piled up, the British Government ordered a top-level inquiry to find out just where in South America the meat had come from and, hopefully, to learn how typhoid bacilli got into it.

Typhoid is no longer the dreaded, deadly plague of old, now that antibiotics can usually cure it. But while the inquiry went on, Aberdeen remained a beleaguered city.

communities in 9 States have issued nearly \$200 million worth of these bonds to attract industry, provide employment for their people, and compete with other towns in search of prosperity. Most of these towns are in the South and Southwest. Between 1957 and 1962 the issuance of these bonds increased tenfold, from \$7 million to \$65 million a year, as the race for industry got more competitive. Nor has this siren song seduced only the corporals and privates of American industry.

The captains and kings are also getting in on the gold rush. Cherokee, Ala., a town of 1,400, recently sold \$25 million worth of bonds to build an Armour fertilizer plant. Carrying the craze to a perfectly logical absurdity, the 4,443 inhabitants of Ste. Genevieve, Mo., have announced their intention of floating a \$500 million bond issue, the equivalent of \$113,000 per inhabitant, to lure a suitable basic industry. At the top of their shopping list: a steel plant.

State legislators have written the laws so that some towns are engaging in savage headhunting expeditions.

Under New Mexico's legislation, a town may raise bond money to go into another State, buy business outright, move it back to New Mexico, build it a plant, and set it up in business anew—and one town already has. Nor are small local communities alone engaging in this rush. The States of New Hampshire, Pennsylvania, Kentucky, West Virginia, Oklahoma, New York, and Illinois have variations of such plans. And corporations like Borg-Warner, Emerson Electric, Fruehauf Trailer, General Tire & Rubber, Minnesota Mining & Manufacturing, Rand, McNally, Scott Valve Manufacturing, Standard Brass, and Swift & Co. are taking part. The big advantage: since the municipal bonds are tax exempt, and the plants built with them are Government owned and hence tax exempt, the corporations get out of Federal taxes on their high cost fixed assets such as buildings and plant machinery. Moreover, they can write off the entire cost of plants in 20 years instead of 50 as required under normal Internal Revenue Service depreciation schedules.

The cost of State industrial development programs is heavy. It takes money to make a slick, expensive and business-like area presentation showing everything that an industry could want to know: available sites and costs, taxes, zoning, transportation, water, sewer, traffic studies, soil conditions, building costs, availability of markets, population structure and growth, labor supply and costs, climate, school and recreation facilities, availability, and cost of housing, ad infinitum.

The expense to States and communities of such programs is considerable. In those States with the most attractive programs, for example, the amount expended ranges from \$1,000 to \$1,500 for each new manufacturing job created.

In 1959 Tennessee spent \$200,000 and Mississippi \$375,000 just to administer their programs. Fairfax County, Va., with a modest and fairly typical program, has budgeted about \$35,000 a year for the past 4 years. Also, when a com-

munity owns and leases a plant, it loses tax revenues. For fiscal year 1958 a Mississippi legislative committee estimated the State treasury lost \$500,000 this way. Thus existing industries wind up supporting the tax burden and in effect subsidizing the new industries attracted under these give away programs.

The prizes, however, are also alluring. Mississippi's program has won credit for creating 35,760 jobs from the 1930's through the end of 1960 with an average annual payroll of \$3,242 per job. This works out to an increase of \$116 million in the income of the people of Mississippi. Since every dollar of increased payroll increases sales in a community about 4½ times, the total stimulus to Mississippi's economy was about half a billion dollars a year. This doesn't consider the rise in real estate values in a prosperous community. For example, when H. Alexander Smith moved its carpet plant to Greenville, Miss., it provided a thousand new jobs there and within a year 500 new homes had been built for the town. Nor do these figures consider fully the compound growth of industry growing from the fact that industry tends to attract other services and related industries.

Much of this municipal subsidy is actually industrial piracy. When Norge, for example, built its plant in Greenwood, Ark.—population 1,600—it provided employment for 1,750 persons, but left 1,800 out of work at Muskegon, Mich.

Everybody agrees that areas which have vigorously pursued overall development programs have achieved startling results—but controversy exists about the actual effectiveness of the various devices used to lure industry such as industrial aid bonds. For example, Drs. Bergin and Eagan, writing in the Michigan Business Review, reported on a survey of the managements of over 800 firms which had recently located or expanded in Kentucky, Tennessee, and Mississippi. They report that company executives generally say that a friendly attitude and the existence of adequate normal community facilities are more important than direct financing aid in any form. The doctors conclude that the bulk of expenditures in these industrial development programs go for factors which management does not consider of prime importance in selecting a new plant location. Most firms listed availability of labor and convenience to markets at the top of their considerations. Financial aid was way down on the list.

Plant location experts for the big eastern industrial firms who met with 250 area development representatives from chamber of commerce groups throughout the Nation in the summer of 1963 listed these five factors at the top of their list in selecting a plant site: availability of labor, nearness to markets, lower labor costs, availability of suitable buildings or sites, and availability of raw materials. Far down on the list in 13th and 15th places were the considerations of favorable tax structure and financial aid. In fact, the site seekers pointed out that communities who advertise "cheap labor, cheap electricity, cheap plant sites, and

## History and Current Status of the Municipal Industrial Aid Bonds

### EXTENSION OF REMARKS OF

**HON. BURT L. TALCOTT**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 16, 1964

Mr. TALCOTT. Mr. Speaker, there is an interesting and complicated interrelation between tax-exempt municipal bonds and ARA loans. I want to develop this.

In 1936 the town of Durant, Miss., issued \$85,000 worth of bonds to build a plant for the Real Silk Hosiery Mills. This was the first time a municipality had ever issued what has become known as an industrial aid bond, using its credit to build or purchase a capital asset such as an industrial plant to lease or sell to a private enterprise. Since then 400